

Message Text

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ACTION EA-14

INFO OCT-01 AID-20 EB-11 FSI-01 PM-07 INR-10 IO-13 L-03

NSAE-00 NSC-10 PA-03 RSC-01 DRC-01 DPW-01 PRS-01

OMB-01 SS-15 ISO-00 /113 W

----- 014750

P R 201020Z SEP 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 7290

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMEMBASSY TEHRAN

AMCONSUL DANANG

AMCONSUL NHA TRANG

USDAO SAIGON

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CINCPAC

CINCPACAF
CO 7TH PSYOPS GP
CINCPACFLT
CINCUSARPAC
DEPCHIEF JUSMAAG

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 16745

EO 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY SAIGON MISSION WEEKLY SEPT 12 - SEPT 20, 1973

BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD PRO USAJFKCMA ATTN: ATCS-WL-DSA

NOTE: THE MISSION WEEKLY IS TO BE FILED ON THURSDAY OF EACH
WEEK, BEGINNING WITH THIS SUBMISSION.

THE WEEK IN BRIEF

--CEASEFIRE VIOLATIONS IN MR-I DECLINED BY HALF FROM THE
HIGH LEVEL OF THE TWO PREVIOUS WEEKS
--THREE WARNINGS FROM THE PRESIDENT
--TAM COMES BACK FROM PARIS EXILE
--BAO DAI ALLEGES HE WON'T RETURN TO SAIGON ANY TIME SOON
--EMBASSY ASSESSMENT OF THE SENATE ELECTION PERCENTAGES
--UPPER HOUSE PASSES ON THE CURRENT RIGHTS OF SENATORS
--PRESIDENT THIEU RECEIVES FIRST ISRAELI AMBASSADOR TO VIETNAM
--A NOTE TO HANOI PROTESTING AIRFIELD CONSTRUCTION
--ACTING FOREIGN MINISTER TO ATTEND UN GENERAL ASSEMBLY
--A CEREMONIAL RELEASE OF NINE THAI TRAWLERS
--GVN RECOGNIZES NEW CHILEAN REGIME
--KISSINGER TESTIMONY PUBLISHED BY VIETNAM PRESS
--GVN/PRG BILATERALS STALEMATED
--GVN COMMENTS ON LAOS AGREEMENT
--FIDEL CASTRO VISITS DRV, VIET CONG CONTROLLED ZONE OF QUANG TRI
--HANOI LEADERS HOLD MEMORIAL FOR ALLENDE
--DRV ENVOY PRESENTS CREDENTIALS IN PAKISTAN
--THO AND BINH CONTINUE JAUNT THROUGH NON-ALIGNED COUNTRIES
--ONCE AGAIN USAID RETAIL PRICE INDEX ON THE RISE; THIS
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WEEK 0.6 PERCENT
--MODEST BLACK MARKET CURRENCY INCREASES
--EXHIBITION OF POSSIBLE PURCHASES BY USDOD FOR RVNAF

I. INTERNAL

A. THE CEASEFIRE

CEASEFIRE VIOLATIONS IN MR-1 DECLINED BY HALF FROM THE HIGH LEVEL OF THE TWO PREVIOUS WEEKS. OVER EIGHTY PERCENT OF MR-2'S NUMEROUS INCIDENTS TOOK PLACE IN THE PROVINCES OF BINH DINH, KONTUM, AND PHU YEN. RVNAF REOCCUPIED POLEI KRONG VILLAGE IN KONTUM AND DEALT ENEMY FORCES SIGNIFICANT SETBACKS IN BINH DINH AND PHU YEN. INCIDENTS IN MR-3 AGAIN DECLINED. ARVN MAY HAVE DECIDED FOR THE PRESENT TO FOREGO ITS ATTEMPTS TO REOPEN ROUTE 1A TO PHUOC LONG, BUT SEEMS DETERMINED TO PREVAIL ALONG ROUTE 23 IN PHUOC TUY. COMBAT DECLINED IN THE DELTA, WHERE ACTIVITY CONTINUED TO CENTER IN CHUONG THIEN AND DINH TUONG, ALBEIT WITH DIMINISHED INTENSITY. THE VC ARE EXERTING PRESSURE AGAINST GVN POSITIONS ABUTTING THEIR COASTAL INFILTRATION ROUTES TO CHUONG THIEN. 44TH STZ RANGERS ARE AGAIN HAVING HEAVY GOING IN ATTEMPTS TO DISLODGE NVA FROM GIAI MOUNTAIN IN CHAU DOC.

B. THIEU SPEAKS OUT

PRESIDENT THIEU HAS ADDRESSED PUBLIC GATHERINGS THREE TIMES RECENTLY: ON SEPT 13, SPEAKING TO A GROUP OF CIVIL SERVANT TRAINEES IN VUNG TAU; SEPT 15 IN HUE, ON THE FIRST ANNIVERSARY OF THE VICTORY OF QUANG TRI; AND SEPT 16 IN SAIGON, ON THE OCCASION OF NAVY DAY. THIEU HAS PROJECTED A TOUGH, ALERT IMAGE, WARNING AGAINST COMMUNIST PREPARATIONS FOR A RENEWED OFFENSIVE AND CALLING FOR INCREASED VIGILANCE. IN HUE, HE WARNED THAT A COMMUNIST VICTORY IN SVN MIGHT MEAN THE SLAUGHTER OF SIX MILLION NATIONALISTS. HE TOLD THE SAILORS THAT WHILE SVN WOULD RESPECT THE CEASEFIRE, THE RVN COULD NOT "SIT WITH ARMS FOLDED" WHILE THE COMMUNISTS VIOLATED THE PARIS AGREEMENT.

C. FORMER PRIME MINISTER TAM VISITS SAIGON

ON SEPT 14, FORMER PRIME MINISTER UNDER BAO DAI NGUYEN VAN TAM, 78, RETURNED FROM ALMOST TWENTY YEARS OF PARIS
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EXILE. IT IS UNDERSTOOD THAT TAM'S VISIT WAS ARRANGED BY TAM'S OLD FRIEND VICE PRESIDENT HUONG AND IS ON CONDITION THAT HE WILL NOT ENGAGE IN POLITICS.

D. BAO DAI SEEKS TO QUIET RUMORS ABOUT HIS RETURN

THERE HAS BEEN ANOTHER OF THE PERIODIC WAVES OF RUMOR AND SPECULATION IN SAIGON ABOUT THE POSSIBLE RETURN FROM EXILE OF EX-EMPEROR BAO DAI. MUCH OF THIS SPECULATION IS FUELED BY MEMBERS OF HIS FAMILY; THERE IS LITTLE OTHER SENTIMENT FOR THE EX-EMPEROR'S RETURN AT THIS TIME. ON SEPT 12, BAO DAI GAVE AN INTERVIEW TO REUTERS IN PARIS IN WHICH HE DENIED ANY INTENT TO RETURN TO SVN SOON. HE ALSO REPORTEDLY DENIGRATED THE SO-CALLED "THIRD FORCE" AND CALLED ON HIS COUNTRYMEN TO UNITE BEHIND PRESIDENT THIEU. THE REUTERS INTERVIEW, WIDELY PLAYED BY THE SAIGON PRESS,

HAS QUIETED (IF NOT ELIMINATED COMPLETELY) RUMORS.

E. UPPER HOUSE ELECTION RESULTS

AN EMBASSY REVIEW OF THE OFFICIAL RETURNS OF THE AUGUST 26 UPPER HOUSE ELECTIONS, MADE PUBLIC SEPT 3, SHOW A NATIONWIDE TURNOUT OF 92.9 PERCENT OF THE REGISTERED VOTERS, WITH ALL CONSTITUENCIES EXCEPT FOUR ACHIEVING TURNOUTS OF OVER 90 PERCENT. SLATE NO 1 RECEIVED VOTES FROM 82.6 PERCENT OF THOSE WHO VOTED, SLATE NO 2 WON 71.8 PERCENT, SLATE NO 3 GOT 14.7 PERCENT, AND SLATE NO 4 RECEIVED 12.6 PERCENT. VIRTUALLY ALL CONSTITUENCIES REFLECTED THIS SAME DISTRIBUTION OF VOTES. SLATES NOS 1 AND 2 HAVE BEEN FORMALLY DECLARED ELECTED, GIVING PRESIDENT THIEU A TWO-THIRDS MAJORITY IN THE NEXT UPPER HOUSE. THE MEMBERS OF THE WINNING SLATES ARE ALL ADMINISTRATION SUPPORTERS.

F. UPPER HOUSE HOLDS EXTRAORDINARY SESSION

THE UPPER HOUSE HELD A THREE-DAY EXTRAORDINARY SESSION, SEPT 17-19, PASSING A RESOLUTION ON "THE CURRENT RIGHTS OF SENATORS." THIS RESOLUTION CONSISTED MAINLY OF STATEMENTS AGAINST ALLEGED EXECUTIVE INFRINGEMENT OF SENATORS' RIGHTS. FOR EXAMPLE, IT CRITICIZED THE EXECUTIVE'S HABIT OF REFUSING EXIT PERMITS TO OPPOSITION SENATORS FOR OFFICIAL TRAVEL APPROVED BY THE UPPER HOUSE CHAIRMAN. THE SESSION WAS ALSO THE FORUM FOR A SHARPLY ANTI-THIEU SPEECH BY AN OPPOSITION SENATOR WHOSE TERM EXPIRES

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THIS MONTH.

COMMENT: THE RESOLUTION WAS WITHOUT LEGAL EFFECT EXCEPT AS AN EXPRESSION OF SENATORIAL OPINION. THE PAST FEW YEARS OF OPPOSITION ASCENDANCY IN THE CHAMBER WILL COME TO AN END OCTOBER 1, WHEN THIRTY-ONE NEWLY-ELECTED PRO-THIEU SENATORS TAKE THEIR SEATS.

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 EB-11 FSI-01 PM-07 INR-10 IO-13

L-03 NSAE-00 NSC-10 PA-03 RSC-01 DRC-01 DPW-01 PRS-01

OMB-01 SS-15 /113 W

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P R 201020Z FEP 73

FM AMEMBASFY SAIGON

TO SECSTATE WASHDC PRIORITY 7291

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMXASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMEMBASSY TEHRAN

AMCONSUL DANANG

AMCONSUL NHA TRANG

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CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG

C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 16745

PART II. EXTERNAL

A. ISRAELI AMBASSADOR PRESENTS CREDENTIALS

THE FIRST ISRAELI AMBASSADOR TO VIETNAM, YAIR ARAN, PRESENTED HIS CREDENTIALS TO PRESIDENT THIEU GN SEPTEMBER 14 (FBIS SOURCE SEPTEMBER). THIS CEREMONY HAD BEEN DELAYED FOR SEVERAL DAYS IN ORDER NOT TO OCCUR DURING NON-ALIGNED SUMMIT CONFERENCE AT ALGIERS.

COMMENT: ALTHOUGH THE GC AND ISRAEL AGREED TO RESIDENT AMBASSADORIAL RELATIONS IN DECEMBER 1972, GVN HAS NOT YET TAKEN ANY STEPS TO ESTABLISH AN EMBASSY IN ISRAEL AS IT ALSO HOPES TO SET UP MISSIENS IN AMMAN AND YEMEN AND DOES NOT WANT TO JEOPARDIZE THIS PROJECT BY TOO EARLY ACTION WITH REGARD TO ISRAEL.

B. GVN SENDS NOTE TO HANOI AND PARIS CONFERENCE PARTICIPANTS PROTESTING COMMUNIST ACTIVITIES IN SOUTH VIET-NAM

AT A PRESS CONFERENCE ON SEPTEMBER 11, THE GVN ANNOUNCED THAT IT HAD SENT A NOTE ON SEPTEMBER 10 TO THE "HANOI AUTHORITIES" PROTESTING THE CONSTRUCTION OF AIRFIELDS IN PRG TERRITORY AND THE INFILTRATION OF MEN AND MILITARY MATERIEL INTO SOUTH VIET-NAM. THE NOTE ALSO SAYS THAT THE GVN RESERVED THE RIGHT TO TAKE ALL MEASURES NECESSARY TO PROTECT THE INTEGRITY OF ITS TERRITORY, AIR SPACE, AND TERRITORIAL WATERS. THE GVN SPOKESMAN ALSO AGAIN PROTESTED THE CALL AT AIPRG PORT OF J CHINESE CARGO SHIP AND RECENT DR EFFORTS TO REDUCE THE SIZE OF ICCS. THIS GVN NOTE PARALLELED A SIMILAR NOTE BY THE US TO THE DRV. ON SEPTEMBER 20 THE GVN SPOKESMAN ANNOUNCED THAT SIMILAR NOTES HAD ALSO BEEN SENT TO ALL PARTIES TO THE

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INTERNATIONAL CONFERENCE ON VIET-NAM. PROTESTS HAVE ALSO BEEN SENT TO THE ICCS AND THE TWO PARTY JOINT MILITARY COMMISSION (TPJMC). HANOI RESPONDED TO THE US NOTE OF SEPTEMBER 14--IT HAS NOT RESPONDED TO THE GVN NOTE. (SEE BELOW).

C. ACTING FOREIGN MINISTER TO GO TO UNITED STATES

THE GVN ANNOUNCED SEPTEMBER 19 THAT ACTING FOREIGN MINISTER NGUYEN PHU DUC WILL GO TO THE UNITED STATES TO ATTEND THE OPENING OF THE UN GENERAL ASSEMBLY. DUC WILL LEAVE SAIGON SEPTEMBER 21.

D. THAI TRAWLERS RELEASED

THE GVN ANNOUNCED ON SEPTEMBER 14 THAT NINE THAI TRAWLERS DETAINED FOR SEVERAL MONTHS FOR FISHING IN GVN

WATERS (GVN CLAIMS 51-MILE EXCLUSIVE FISHING ZONE) HAD BEEN RELEASED AT A CEREMONY ATTENDED BY THE THAI AMBASSADOR. RELEASE OF THESE BOATS TOOK PLACE SEPTEMBER 11 AND FOLLOWS RELEASE OF LAST JULY OF SOME OF THE CREWMEN (SAIGON 12406, WEEKA).

E. GVN RECOGNIZES NEW CHILEAN REGIME

ON SEPTEMBER 18 GVN SENT A TELEGRAM TO THE NEW CHILEAN GOVERNMENT CONGRATULATING IT ON ITS SUCCESSFUL "REVOLUTION", AND THUS RE-ESTABLISHING GVN RECOGNITION OF CHILE WHICH HAD CEASED IN SEPTEMBER 1972 WHEN CHILE RECOGNIZED THE PRG.

F. KISSINGER TESTIMONY PUBLISHED

OFFICIAL VIETNAM PRESS PRINTED IN FULL FIRST TWO DAYS OF SECRETARY OF STATE-DESIGNATE KISSINGER'S TESTIMONY BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE.

G. GVN/PRG BILATERALS

THE SEPTEMBER 13 TWENTY-FIFTH (25TH) PLENARY SESSION OF THE BILATERAL CONSULTATIONS BETWEEN THE GVN AND THE PRG AIMED AT A POLITICAL SETTLEMENT REGISTERED NO PROGRESS AS EACH SIDE ENUMERATED THE OTHER'S VIOLATIONS OF THE PARIS AGREEMENT, WITH THE GVN EMPHASIZING AIRFIELD CONSTRUCTION
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BY THE PRG, WHILE THE PRG BRAGGED OF ITS ACCOMPLISHMENTS AT THE NONALIGNED CONFERENCE.

H. GVN COMMENTS ON LAOS AGREEMENT

IN A SEPTEMBER 15 MEETING WITH THE PRESS, THE GVN SPOKESMEN EXPRESSED THE WISH THAT THE SIGNATURE OF THE PEACE AGREEMENT IN LAOS WOULD PERMIT THAT COUNTRY TO ATTAIN GENUINE NEUTRALITY BUT SAID THAT REAL PEACE WOULD DEPEND UPON WHETHER DRV TROOPS WITHDREW, NOTING THAT THEY HAD NOT RESPECTED THE PARIS AGREEMENT STRICTURES TO WITHDRAW FROM LAOS AND CAMBODIA, AND THAT THERE WERE STILL 300,000 IN SOUTH VIET-NAM.

I. FIDEL CASTRO VISITS DRV, VIET CONG-CONTROLLED ZONE OF QUANG TRI

CUBA'S FIDEL CASTRO SPENT A FESTIVE FIVE DAYS IN NORTH VIET-NAM AND BECAME THE FIRST FOREIGN CHIEF OF STATE TO VISIT A COMMUNIST-CONTROLLED AREA IN THE SOUTH. UPON ARRIVAL ON SEPTEMBER 12, CASTRO WAS GREETED BY TOP PARTY AND GOVERNMENT LEADERS, INCLUDING DEFENSE MINISTER VO NGUYEN GIAP WHOSE LAST NOTED PUBLIC APPEARANCE WAS IN EARLY JULY.

ON THE EVENING OF THE 12TH THE CUBAN LEADER WAS FETED AT A BANQUET ORGANIZED BY THE PARTY CENTRAL COMMITTEE AT WHICH LE DUAN AND CASTRO SPOKE. THE MOOD OF THE EVENING WAS APPARENTLY DAMPENED CONSIDERABLY BY THE NEWS OF THE CHILEAN COUP AND DR. ALLENDE'S SUBSEQUENT SUICIDE. CASTRO'S VIET-NAM STAY WAS HIGHLIGHTED BY A SEPTEMBER 15 VISIT TO VIET CONG-CONTROLLED AREAS IN SOUTH VIET-NAM'S NORTHERMOST QUANG TRI PROVINCE. WITH NLF CHIEF NGUYEN HUU THO OUT OF THE COUNTRY AND HUYNH TAN PHAT, PRESIDENT OF THE SO-CALLED PRG, OTHERWISE OCCUPIED, "DEFENSE MINISTER" TRAN NAM TRUNG HOSTED THE VISITING CUBANS. A RALLY WAS HELD IN CASTRO'S HONOR AT CAM LO AND THE CUBAN LEADER WAS GIVEN A WHIRLWIND TOUR OF THE AREA, INCLUDING A VISIT TO CUA VIET PORT. CASTRO'S TRIP TO THE VIET CONG ZONE WAS NOT ANNOUNCED IN ADVANCE, NO DOUBT FOR SECURITY REASONS. AFTER HIS FEW HOURS IN QUANG TRI, CASTRO RETURNED TO QUANG BINH PROVINCE, NORTH VIET-NAM WHERE HE WAS MET BY PREMIER DONG WHO ESCORTED HIM BACK TO

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INFO OCT-01 ISO-00 AID-20 EB-11 FSI-01 PM-07 INR-10 IO-13

L-03 NSAE-00 NSC-10 PA-03 RSC-01 DRC-01 DPW-01 PRS-01

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HANOI. CASTRO HOSTED A BANQUET FOR THE DRV LEADERS ON SEPT 16 AND LEFT FOR HOME THE FOLLOWING DAY. THE JOINT STATEMENT ISSUED ON THE VISIT WAS ROUTINE EXCEPT FOR THE ASSERTION THAT BOTH PARTIES WERE "UNANIMOUS" ON ALL QUESTIONS DISCUSSED. HANOI HAS, IN THE RECENT PAST, AVOIDED THIS FORMULATION.

3. HANOI LEADERS HOLD MEMORIAL FOR ALLENDE

TOP PARTY AND GOVERNMENT FIGURES INCLUDING PARTY FIRST SECRETARY LE DUAN, NATIONAL ASSEMBLY CHAIRMAN TRUONG CHINH AND PREMIER PHAM VAN DONG ATTENDED A SEPT 16 MEMORIAL SERVICE FOR CHILE'S PRESIDENT, SALVADOR ALLENDE. DR ALLENDE WAS LAUDED BY THE DRV LEADERSHIP AS "A DAUNTLESS MILITANT WHO HAS VALIANTLY STRUGGLED FOR THE INDEPENDENCE AND FREEDOM OF THE CHILEAN PEOPLE." ALLENDE'S OVERTHROW, COINCIDING WITH FIDEL CASTRO'S VISIT TO THE DRV, OCCASIONED A DELUGE OF RANCOROUS PROPAGANDA FROM VIETNAMESE COMMUNIST MEDIA.

K. DRV ENVOY PRESENTS CREDENTIALS IN PAKISTAN

NGO THUYEN, DRV AMBASSADOR TO PAKISTAN, PRESENTED HIS CREDENTIALS TO PRESIDENT FAZAL ELAHI CHOUDHRI ON

SEPT 10.

L. THO, BINH CONTINUE JAUNT THROUGH NON-ALIGNED COUNTRIES

NGUYEN HUU THO, PRESIDENT OF THE NLF AND OF THE
ADVISORY COUNCIL TO THE SO-CALLED PRG, AND MADAME NGUYEN
THI BINH, FOREIGN MINISTER OF THE PRG, CONTINUED THEIR
TOUR TO A NUMBER OF COUNTRIES OF THE NON-ALIGNED GROUP.
THEY TOURED ALGERIA AFTER THE CONCLUSION OF THE NON-ALIGNED
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CONFERENCE UNTIL SEPT 14 WHEN THEY DEPARTED FOR SENEGAL.
IN DAKAR THEY RECEIVED RED CARPET TREATMENT FROM PRESIDENT
SENGHOR, ALTHOUGH THE GOS DID NOT BUDGE FROM ITS POLICY OF
ACCORDING ROUGHLY EQUAL STATUS TO BOTH THE GVN AND VIET
CONG. THE NCNA REPORT OF THE GOS/PRG JOINT COMMUNIQUE SAYS
THAT SENGHOR "REAFFIRMS HIS SUPPORT FOR THE HEROIC
STRUGGLE OF THE VIETNAMESE PEOPLE UNDER THE LEADERSHIP OF
THE PRG -- THE AUTHENTIC REPRESENTATIVE OF THE SOUTH
VIETNAMESE PEOPLE..." MISSING FROM THIS FORMULATION IS THE
WORD "SOLE" WHICH MOST STATES ENTERTAINING RELATIONS WITH
THE VIET CONG EMPLOY IN THEIR DESCRIPTIONS OF THE PRG'S
STATUS. THO AND BINH ARRIVED IN BELGRADE ON
SEPT 17. FROM THERE THEY ARE SCHEDULED TO TRAVEL TO
CAIRO.

END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

A. PRICES

ALTHOUGH RICE PRICES DECREASED A MODEST ONE AND TWO
PERCENT, DURING THE WEEK ENDING SEPT 17, SHRIMP PRICES ROSE
TEN PERCENT AND A FEW FRESH PRODUCE ITEMS ALSO INCREASED TO
INCH THE FOOD SIDE OF THE INDEX UP 0.4 PERCENT. INCREASES IN
LAUNDRY SOAP (TWO PERCENT) AND READY-MADE CLOTHES (FIVE AND
NINE PERCENT) PUSHED UP THE NON-FOOD SIDE OF THE INDEX 0.9
PERCENT. THE USAID SAIGON RETAIL PRICE INDEX AS A WHOLE WAS
UP 0.6 PERCENT OVER A WEEK AND 1.6 PERCENT OVER A MONTH AGO.
THE INCREASE SINCE YEAR'S END IS 43.5 PERCENT AND FROM A YEAR
AG IT IS 48.9 PERCENT.
INCREASING GVN PRESSURE TO ENFORCE RICE PRICE CONTROLS IS
BEING NOTED. UP TO NOW CONTROL PRICES HAVE BEEN MORE HONORED
IN THE BREECH THAN IN PRACTICE. SEASONAL FACTORS, PARTICULARLY
HEAVY RAINS ACCOUNT FOR THE BULK OF SHRIMP AND FRESH PRODUCE
PRICE INCREASES. A THREE PERCENT RISE IN NUOC MAM PRICES
PROBABLY IS A DELAYED EFFECT OF SUGAR PRICE INCREASES.

B. BLACK MARKET CURRENCY AND GOLD PRICES

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BLACK MARKET CURRENCY RATES CONTINUE TO MARK UP MODESTLY. QUOTES FOR \$100 GREEN WENT FROM 515:1 LAST WEEK TO 518:1 AND FOR \$10 GREEN FROM 510:1 TO 512:1. GOLD LEAF PRICES HOWEVER ROSE FROM 61,000 PIASTERS PER Tael 24 CARAT GOLD TO 63,000 PIASTERS. FOR THE FIRST TIME SINCE LATE APRIL 1972 SAIGON GOLD PRICES ARE ABOVE HONG KONG QUOTES. A TROY OUNCE OF GOLD IN SAIGON (AT THE LEGAL EXCHANGE RATE OF 510:1) COSTS \$US 102.46. THE HONG KONG QUOTE FOR SEPT 15 WAS \$US 99.83. GOLD PRICE INCREASES ARE RELATED TO RUMORS OF FURTHER PIASTER DEVALUATION AND MARKET APPREHENSION DUE TO RUMORS THAT CIP FUNDING WILL BE DECREASED OR ELIMINATED IN FAVOR OF LONG-TERM CREDITS. RUMORS ALSO PERSIST THAT THE GVN WILL SHORTLY ISSUE 5,000 AND 10,000 PIASTER CURRENCY NOTES.

C. IN COUNTRY PROCUREMENT EXHIBITION

THE EXPORT DEVELOPMENT CENTER OPENED AN EXHIBITION SEPT 18 OF DOMESTIC AND IMPORTED PRODUCTS WHICH THE US DOD PURCHASES FOR SUPPLYING TO RVNAF. THE WEEK-LONG SHOW IS INTENDED TO ACQUAINT VIETNAMESE BUSINESSMEN WITH THE RANGE OF ITEMS PROCURED AND ENCOURAGE THEM TO INCREASE THEIR SHARE OF TOTAL SALES. DOD ANNUALLY CONTRACTS FOR HUNDREDS OF ITEMS, FROM CLOTHING AND CANNED FOODS TO BATTERIES AND BARBED WIRE, SUPPLEMENTING RVNAF'S OWN SUPPLY EFFORTS. IN FY 1973, DOD PROCUREMENT FROM LOCAL SOURCES AMOUNTED TO US\$29 MILLION. ECONOMY MINISTER PHAM KIM NGOC, IN HIS STATEMENT INAUGURATING THE SAIGON EXHIBITION, ESTIMATED THAT FUTURE WOULD RISE TO MORE THAN US\$60 MILLION IN FY 74. GVN OFFICIALS VIEW "IN-COUNTRY PROCUREMENT" AS A PROMISING WAY TO PROMOTE DOMESTIC INVESTMENT IN IMPORT SUBSTITUTION AS WELL AS EXPORT INDUSTRIES. ACCORDINGLY, THE ECONOMY MINISTRY IS OFFERING LOW INTEREST CREDIT AND TECHNICAL ASSISTANCE TO INVESTORS IN THIS SECTOR. APPLING

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
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Draft Date: 20 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SAIGON16745
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS APPLING
Errors: N/A
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Handling Restrictions: n/a
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Office: ACTION EA
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Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: ECTED THIS SAME DISTRIBUTIONOF VOTES, . SLATES NOS 1 AND 2
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Aug-2001 by boyleja>; APPROVED <15-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY SAIGON MISSION WEEKLY SEPT 12 - SEPT 20, 1973 BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/W; CINCPAC FOR POLAD;
TAGS: PINT, PFOR, ECON, VS
To: STATE
Type: TE
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